

## Message Text

LIMITED OFFICIAL USE

PAGE 01 PORT O 00053 101144Z

46

ACTION ARA-10

INFO OCT-01 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-01 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-01 PRS-01 PA-01

USIA-06 SIL-01 LAB-04 SCCT-01 /093 W

----- 117798

R 091922Z JAN 75

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC 7246

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PORT AU PRINCE

AMEMBASSY SANTO DOMINGO

LIMITED OFFICIAL USE PORT OF SPAIN 0053

E.O. 11652: N/A

TAGS: ELAB TD XL ENRG

SUBJECT: CONFRONTATION IN LABOR NEGOTIATIONS AT TEXACO TRINIDAD

1. BEGIN SUMMARY: THE POSSIBILITY OF A SHUT DOWN OF  
TEXACO'S OPERATIONS IN TRINIDAD, EITHER BY A STRIKE  
OR BY THE COMPANY'S OWN DECISION, HAS BECOME MORE  
REAL AS CONTRACT NEGOTIATIONS WITH THE OILFIELD WORKERS'  
TRADE UNION (OWTU) HAVE REACHED A STANDSTILL AND THE  
"GO SLOW" BY OWTU MEMBERS AT THE TEXACO DOCK BEGINS  
TO AFFECT OTHER PARTS OF THE OPERATION. INTERVENTION  
BY THE GOVERNMENT IS POSSIBLE, BUT SO FAR THE GOTT  
HAS NOT INVOLVED ITSELF IN A DISPUTE BETWEEN THE  
LARGEST MULTINATIONAL COMPANY IN TRINIDAD AND THE  
MILITANT, ANTI-GOVERNMENT OWTU. END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PORT O 00053 101144Z

2. AS THE NEGOTIATIONS OF A NEW, THREE-YEAR CONTRACT BETWEEN TEXACO TRINIDAD AND HTE OILFIELD WORKERS' TRADE UNION (OWTU) ENTERS ITS THIRD MONTH, THE COMPANY AND THE UNION APPEAR TO BE HEADED FOR A CONFRONTATION WHICH COULD RESULT IN EITHER A STRIKE OR IN TEXACO SHUTTING DOWN ITS OPERATIONS. THE UNACKNOWLEDGED BUT EFFECTIVE "GO SLOW" BY TEXACO DOCK WORKERS WHICH HAS BEEN IN EFFECT SINCE DECEMBER IS SLOWLY BRINGING THE TEXACO REFINERY OPERATIONS TO A STANDSTILL BY DELAYING BOTH THE UNLOADING OF CRUDE OIL TANKERS AND THE LOADING OF REFINED PETROLEUM PRODUCTS FOR EXPORT. ALTHOUGH TRINIDAD ITSELF HAS NOT YET EXPERIENCED ANY SERIOUS SHORTAGES DUE TO THE "GO-SLOW" SINCE ITS GASOLINE, KEROSENE, AND AVIATION FUELS ARE TRANSPORTED BY TRUCK, THE IMPACT OF THE UNION'S ACTION IS ALREADY BEING FELT IN OTHER CARIBBEAN COUNTRIES FOR WHOM TEXACO IS THE PRIMARY SUPPLIER OF PETROLEUM PRODUCTS.

3. TALKS ON THE NEW CONTRACT BEGAN ON AN OPTIMISTIC NOTE LAST YEAR ON NOVEMBER 4 WITH BOTH TEXACO AND THE OWTU SAYING THAT THEY HOPED TO REACH AN AGREEMENT BEFORE CHRISTMAS EVEN THOUGH THE PRESENT CONTRACT DOES NOT EXPIRE UNTIL FEBRUARY 27 OF THIS YEAR. HOWEVER, THE WIDE GAP BETWEEN THE UNION'S PROPOSAL -- AN 80 PERCENT WAGE INCREASE OVER THREE YEARS -- AND THE COMPANY'S LAST OFFER IN MID-DECEMBER -- 25 PERCENT (UP FROM ITS OPENING OFFER OF 19 PERCENT) HAS NOT NARROWED DESPITE NUMEROUS BARGAINING SESSIONS. THE LACK OF PROGRESS AT THE NEGOTIATING TABLE HAS LED TO FREQUENT AND ACRIMONIOUS EXCHANGES IN THE MEDIA, INCLUDING TEXACO'S CHARGES THAT WORKERS HAVE ENGAGED IN ACTS OF SABOTAGE AND ITS FREQUENT WARNINGS THAT THE UNION'S "GO SLOW" MAY FORCE THE COMPANY TO SHUT DOWN, CONTRIBUTE TO GROWING EXPECTATIONS THAT A STRIKE OR A SHUT DOWN MAY OCCUR. GEORGE WEEKES, PRESIDENT GENERAL OF THE OWTU, HAS HEATEDLY DENIED THE SABOTAGE CHARGES AS WELL AS THE EXISTENCE OF A "GO SLOW", AND HAS REAFFIRMED THE INTENTION OF THE UNION TO HOLD OUT FOR THE FULL 80 PERCENT IT IS ASKING.

4. IN VIEW OF THE IMPORTANCE OF THE TEXACO CONTRACT TO THE OWTU AND THE BUILD-UP WHICH WEEKES HAS GIVEN TO THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PORT O 00053 101144Z

NEGOTIATIONS ("THE BATTLE OF BEAUMONT HILL," REFERRING TO THE SITE OF THE NEGOTIATIONS), IT WILL BE DIFFICULT FOR THE OWTU LEADERSHIP TO BACK DOWN ON ITS DEMANDS AND RETAIN THE SUPPORT OF ITS MEMBERS. ANY SIGNIFICANT CONCESSIONS BY THE UNION TO TEXACO, THE LARGEST MULTINATIONAL COMPANY IN TRINIDAD, WOULD ALSO WEAKEN WEEKES' REPUTATION AS A RADICAL LEADER. ON THE OTHER HAND, THE TEXACO NEGOTIATORS ARE OFFERING MUCH LESS THAT THE 40 - 45

PERCENT AVERAGE WAGE INCREASE OF RECENT MAJOR LABOR SETTLEMENTS IN TRINIDAD WHICH, IN VIEW OF THE DRAMATIC RISE IN OIL COMPANY PROFITS IN 1974, THEY CANNOT REALISTICALLY EXPECT TO AVOID PAYING. THIS STAND OFF HAS GIVEN RISE TO RUMORS THAT TEXACO WOULD NOT BE UNHAPPY TO SEE ITS TRINIDAD OPERATIONS CLOSE DOWN AT A TIME WHEN IT EXPECTS ITS PARENT COMPANY IN THE UNITED STATES TO BE IDLED BY AN OILFIELD AND ATOMIC WORKERS UNION STRIKE.

5. UP TO NOW THE GOTT HAS NOT BECOME INVOLVED IN THE DISPUTE ALTHOUGH THE INDUSTRIAL RELATIONS ACT (IRA) GIVES IT AMPLE AUTHORITY TO DO SO. THE UNION'S TACTIC OF EMPLOYING A "GO SLOW" AT THE DOCKS WHILE DENYING THAT SUCH AN ACTION, WHICH IS EASY TO SEE BUT DIFFICULT TO DOCUMENT, IS TAKING PLACE (SINCE IT WOULD DIRECTLY VIOLATE THE IRA), ALLOWS THE UNIONS TO SHIFT THE ONUS FOR A POSSIBLE SHUT DOWN TO THE COMPANY AND TO AVOID THE LOSS OF WAGES AND THE PROBABLE LEGAL PENALTIES INVOLVED IN A STRIKE. THE FACT THAT DURING THE NEGOTIATION OF THE PRESENT CONTRACT IN 1971 THE GOVERNMENT DECLARED A STATE OF EMERGENCY AND INCARCERATED THE PRINCIPLE OWTU NEGOTIATORS HAS PROBABLY CAUSED THE UNION TO BE CAUTIOUS ABOUT GIVING THE GOTT LEGAL GROUNDS TO INTERVENE AGAIN. DESPITE THE ADOPTION BY THE GOTT OF MORE NATIONALISTIC ECONOMIC POLICIES SINCE 1971, PRIME MINISTER ERIC WILLIAMS WOULD PROBABLY NOT HESITATE TO INTERVENE ON BEHALF OF TEXACO AND AGAINST HIS CHIEF RADICAL ANTAGONIST, GEORGE WEEKES, GIVEN SUFFICIENT JUSTIFICATION. FURTHERMORE, WILLIAMS WOULD BE PARTICULARLY ANXIOUS TO AVOID A SERIOUS DISRUPTION IN THE T&T OIL INDUSTRY NOW WHEN HE IS EMBARKING ON A NUMBER OF MAJOR INDUSTRIAL DEVELOPMENT PROJECTS BASED ON THE COUNTRY'S OIL REVENUE, PROJECTS WHICH HE HOPES WILL POLISH HIS SWINDLING POLITICAL LUSTRE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 PORT O 00053 101144Z

RICH

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LABOR OBJECTIVES, LABOR STRIKES, LABOR DISPUTES, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975PORTO00053  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750010-0567  
**From:** PORT OF SPAIN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750166/aaaacfly.tel  
**Line Count:** 155  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 SEP 2003 by BoyleJA>; APPROVED <11 SEP 2003 by MorefiRH>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CONFRONTATION IN LABOR NEGOTIATIONS AT TEXACO TRINIDAD  
**TAGS:** ELAB, ENRG, TD, XL, TEXACO  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006